Economic Indicators

ISSN 0015-2757

A Monthly Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *October 1981*

The Construction and Interest Rate Cycles

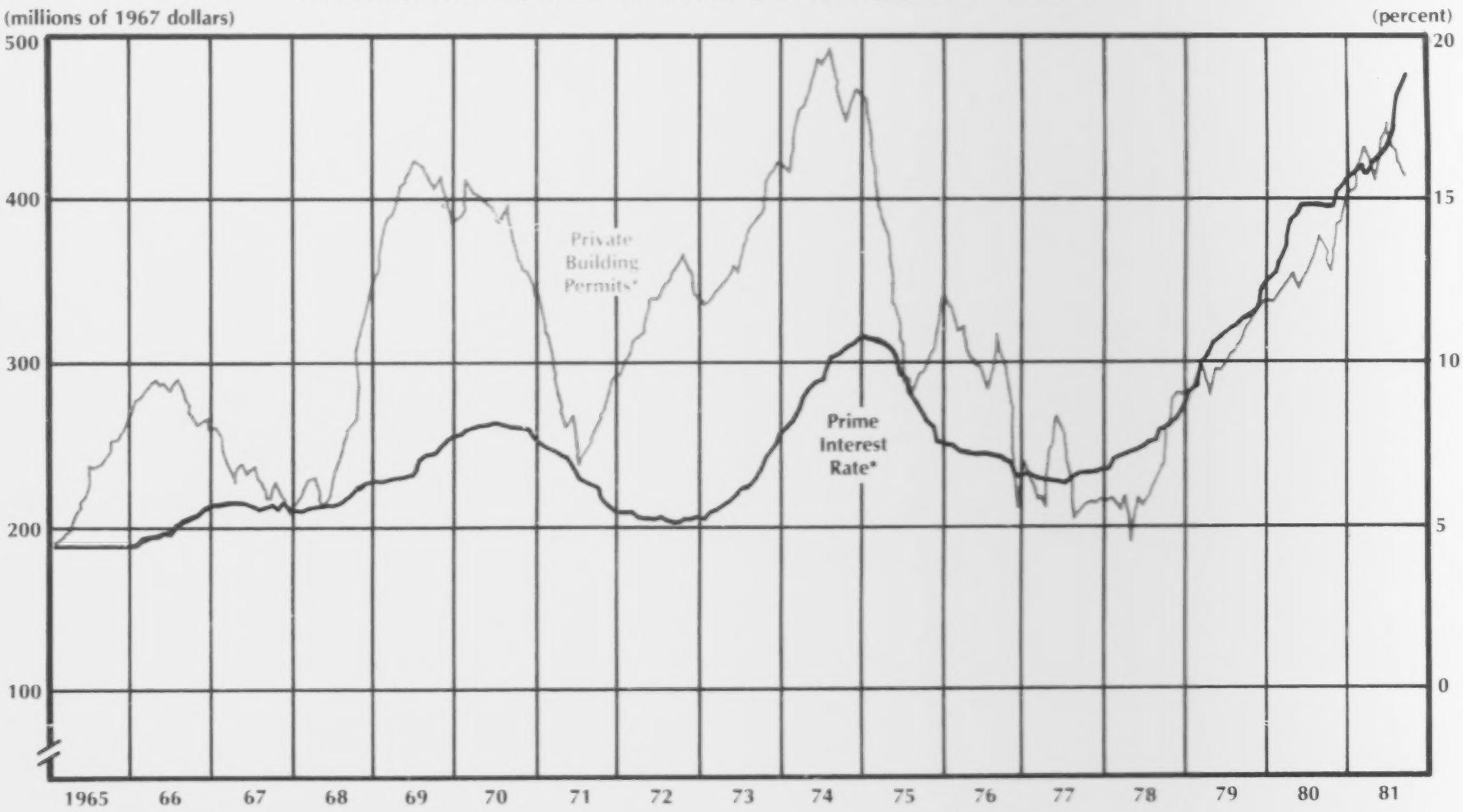
The fact that two statistical time series show a fairly close correlation over an extended period of time does not, in itself, prove that there is a cause and effect relationship between the two. One can only analyze the causal factors behind the movement of each series and conclude that there is reason to presume (or not to presume) a causal relationship.

This is the case with the two series plotted below—the relationship between interest rates and total private building permits in Hawaii. Since construction activity is the product of thousands of decisions made by individuals and businesses to build or not to build, there is no way of ever knowing whether the price that the builder has to pay for the money he borrows to build has been the determining factor in the decision to engage in a construction project. However, it is common knowledge that the cost of borrowing is a major factor in many if not most decisions to make any sizable capital investment.

In the chart below it appears (contrary to all logic) that in recent years construction in Hawaii surges whenever the interest rate cycle is on the upswing. This is exactly the reverse of the pattern on the Mainland, where construction activity declines precipitously when interest rates are rising—just as one would expect.

We can only surmise that the pattern here is not the result of sheer idiocy but is largely due to Hawaii's lengthy approval processes. Developers start working on their plans when the market and financial conditions look promising. Land has to be acquired, detailed architectural and engineering plans have to be drawn, and all the intricate authorizations have to be secured. This whole process may in the case of a single-family home take only a year or less. But for a large residential development, a shopping center, a hotel, etc. the plans may be held up so long in the regulatory maze that when the projects are finally commenced, financing is difficult and interest rates are high. At this point the builders have sunk so much into their projects that many of them decide to go ahead anyhow. The higher financing costs, unfortunately, must be passed on to the hotel guest, the office lessee, or the homebuyer.

INTEREST RATES AND HAWAII CONSTRUCTION TRENDS



**12 month moving averages*

First Hawaiian Bank

Established 1858 • Member of F.D.I.C.

business activity-hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	August	384,539p	9.4	1.5
	number	Jan.-Aug.	2,662,375p	.....	−2.1
Westbound	number	August	305,016p	12.4	2.0
	number	Jan.-Aug.	2,038,672p	.....	−4.3
Eastbound	number	August	79,523p	−1.1	−0.5
	number	Jan.-Aug.	623,703p	.....	6.1
AVERAGE DAILY VISITOR CENSUS[1]	number	August	103,901p	7.7	−1.1
AVERAGE LENGTH OF STAY[1]	no. of days	August	10.6	−3.6	−1.9
MEETINGS ATTENDANCE	number	July	4,622	−55.5	−75.7
ORGANIZED GROUP TOURS	number	August	76,565	39.3	45.0
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	August	131,471p	11.8	−1.9
	number	Jan.-Aug.	928,276p	.....	4.0
Hawaii	number	August	61,756p	3.9	−13.8
	number	Jan.-Aug.	441,221p	.....	−19.1
Kauai	number	August	72,263p	5.7	−2.8
	number	Jan.-Aug.	500,594p	.....	8.9
VISITOR ACCOMMODATIONS					
STATE	number	June 1981	56,502	−0.5	1.7
Oahu	number	June 1981	33,566	−1.2	−2.4
Maui	number	June 1981	29,101	−1.3	−4.6
Maui (includes 17 on Lanai)	number	June 1981	10,706	−0.2	7.9
Molokai	number	June 1981	539	−15.1	−3.2
Hawaii	number	June 1981	6,859	2.3	9.6
Kauai	number	June 1981	4,832	2.0	9.0
HOTEL OCCUPANCY					
STATE	percent	August	71.2p	9.9	−0.4
Oahu	percent	August	82.2p	12.1	5.2
Maui	percent	August	64.6p	12.9	−1.2
Hawaii	percent	August	51.3p	1.6	−8.7
Kauai	percent	August	65.9p	3.1	−12.4
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. $	2nd Qtr. 1981	345.3	.....	6.5
Military Payroll	mil. $	2nd Qtr. 1981	147.6	.....	11.7
Civilian Payroll	mil. $	2nd Qtr. 1981	106.1	.....	11.5
Local Purchases	mil. $	2nd Qtr. 1981	91.6	.....	−5.5
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-Sep. 26	850.7	.....	10.2
N.Y. RAW SUGAR PRICE	$/ton	September	308.71	−11.7	−57.1
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	Jan.-Aug.	159,601	.....	15.6
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised): All Items	1967=100	August	256.6	1.1[3]	11.8
All Urban Consumers: All Items	1967=100	August	256.6	1.5[3]	11.5
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	August	594.2	1.5	2.8
GAS SALES	thous. therms	August	3,882	0	−5.2
TELEPHONES IN SERVICE	thous.	August	723	0.3	2.7

p = preliminary.
[1] Estimated Westbound.
[2] Gross taxable income valued at time of shipment.
[3] Compared to June, 1981.
* Not comparable to previous quarter. 1st Quarter total does not include Coast Guard expenditures.

Tourism

August was a good visitor month thanks to the arrival of the American Legion Convention which was held August 28 to September 3 and accounted for 20,000 visitors. Total visitor traffic was up 1.5% over August 1980 with arrivals from points east of Hawaii off 0.5% and westbound arrivals up 2.0% from 298,964 to 305,016. Because the convention began so late in August, the impact these visitors had on the industry was probably felt more in September than in August. This helps explain why, despite the increase in August visitor arrivals, there was a decline in the average daily visitor census relative to last year. The American Legion Convention also gave the organized group tours series its best month since spring 1980. The 20,000 here for the convention boosted group tour arrivals 20,000 above the number averaged the past year.

business activity-hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	Nov. 1980	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-July	366,917	.....	17.2
C&C of Honolulu	thous. $	Jan.-Aug.	200,551	.....	9.5
Maui County	thous. $	Jan.-July	96,450	.....	24.7
Hawaii County	thous. $	Jan.-Aug.	54,682	.....	−34.5
Kauai County	thous. $	Jan.-Aug.	30,899	.....	−30.5
SINGLE FAMILY UNITS					
STATE	number	Jan.-July	1,617	.....	−32.3
C&C of Honolulu	number	Jan.-Aug.	553	.....	−46.4
Maui County	number	Jan.-July	270	.....	−43.4
Hawaii County	number	Jan.-Aug.	734	.....	−12.1
Kauai County	number	Jan.-Aug.	235	.....	−4.5
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-July	3,094	.....	−9.7
C&C of Honolulu	number	Jan.-Aug.	1,807	.....	−0.8
Maui County	number	Jan.-July	1,007	.....	24.5
Hawaii County	number	Jan.-Aug.	180	.....	−71.3
Kauai County	number	Jan.-Aug.	118	.....	−70.6
NONRESIDENTIAL					
STATE	thous. $	Jan.-July	201,002	.....	−13.8
C&C of Honolulu	thous. $	Jan.-Aug.	156,013	.....	−7.4
Maui County	thous. $	Jan.-July	19,201	.....	−41.7
Hawaii County	thous. $	Jan.-Aug.	50,920	.....	67.1
Kauai County	thous. $	Jan.-Aug.	16,054	.....	−11.6
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-Sept.	245,627	.....	37.1
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-Sept.	53,346	.....	51.3
STATE	thous. $	Jan.-Sept.	135,224	.....	31.1
COUNTY	thous. $	Jan.-Sept.	57,056	.....	40.2
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-Sept.	208,468	.....	57.9
Maui County	thous. $	Jan.-Sept.	7,347	.....	−48.5
Hawaii County	thous. $	Jan.-Sept.	15,573	.....	−42.9
Kauai County	thous. $	Jan.-Sept.	14,239	.....	155.2
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	September	296.2	1.6	2.9
HIGH RISE	1967=100	September	313.5	1.9	5.0
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	July	2,631	−16.9	11.9

Consumer Prices

After shooting up at annual rates of 19.8% and 17.7% in the first four months of the year, Honolulu prices have risen more slowly in recent months. The Honolulu Consumer Price Index (CPI) for All Urban Consumers advanced 6.9% between April and June and 9.4% between June and August at annual rates. While Honolulu inflation rates were lower than the 11.3% average rate nationally over the latest four-month reporting period, the steep price gains early on in the year put Honolulu's inflation rate for the year ahead of the average nationally.

finance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil $	August 31	4,536.3	3.3	9.1
[illegible]	mil $	August 31	3,722.4	3.4	9.2
[illegible]	mil $	August 31	289.3	3.4	8.8
[illegible]	mil $	August 31	353.2	2.0	5.4
[illegible]	mil $	August 31	171.4	3.4	16.0
BANK LOANS AND DISCOUNTS					
STATE	mil $	August 31	1,106.9	−0.9	−13.8
[illegible]	mil $	August 31	932.2	−1.2	−13.4
[illegible]	mil $	August 31	70.3	0.6	−16.1
[illegible]	mil $	August 31	73.8	−0.2	−16.4
[illegible]	mil $	August 31	30.7	3.3	−11.9
DEBITS TO DEMAND DEPOSITS					
STATE	mil $	August	7,405.0	−4.4	9.3
[illegible]	mil $	August	6,819.8	−4.6	9.9
[illegible]	mil $	August	254.7	0.7	11.4
[illegible]	mil $	August	233.0	−5.8	−3.7
[illegible]	mil $	August	97.4	−2.4	−1.7
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	August	79.93	−2.7	24.1
[illegible]	annual rate	August	87.29	−2.9	24.1
[illegible]	annual rate	August	43.61	1.5	29.2
[illegible]	annual rate	August	37.83	−2.8	14.5
[illegible]	annual rate	August	38.75	−0.7	11.0
STATE TAX COLLECTIONS[1]					
[illegible]	thous $	Aug	95,518	−1.9	11.1
[illegible]	thous $	Jan.-Aug.	897,883	.....	7.2
[illegible]	thous $	Aug.	85,179	−0.5	11.7
[illegible]	thous $	Jan.-Aug.	779,336	.....	7.6
[illegible]	thous $	Aug.	4,584	29.3	9.1
[illegible]	thous $	Jan.-Aug.	46,481	.....	5.9
[illegible]	thous $	Aug.	4,054	−34.7	6.3
[illegible]	thous $	Jan.-Aug.	50,271	.....	4.6
[illegible]	thous $	Aug.	1,700	−14.2	−0.2
[illegible]	thous $	Jan.-Aug.	21,794	.....	3.3

[1]Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

employment and unemployment-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
[illegible]	thous	August	411.2p	−1.0	1.8
[illegible]	thous	August	390.2p	−0.6	1.5
[illegible]	thous	August	21.1p	−7.1	6.0
[illegible]	percent	August	5.1p	−7.3	4.1
[illegible]	thous	August	321.6p	−1.0	2.1
[illegible]	thous	August	306.3p	−0.7	2.0
[illegible]	thous	August	15.3p	6.2	3.0
[illegible]	percent	August	4.7p	6.0	0
[illegible]	thous	August	35.0p	−0.9	−1.0
[illegible]	thous	August	33.0	−0.6	−1.3
[illegible]	thous	August	2.1p	−2.4	7.9
[illegible]	percent	August	5.8p	−3.3	9.4
[illegible]	thous	August	37.0p	−1.6	2.9
[illegible]	thous	August	34.3p	−0.7	2.1
[illegible]	thous	August	2.7p	−11.7	12.8
[illegible]	percent	August	7.2p	−11.1	10.8
[illegible]	thous	August	17.8p	−0.3	−0.8
[illegible]	thous	August	16.7p	0.3	2.6
[illegible]	thous	August	1.1p	12.0	37.5
[illegible]	percent	August	6.2p	−10.1	34.8
JOB COUNT BY INDUSTRY					
[illegible]	thous	August	447.1p	−0.9	−0.6
[illegible]	thous	August	9.3p	−1.6	4.5
[illegible]	thous	August	7.3p	−22.8	−19.8
[illegible]	thous	August	15.7p	−1.3	−0.6
[illegible]	thous	August	4.2p	0.0	2.4
[illegible]	thous	August	11.5p	−1.7	−1.7
[illegible]	thous	August	3.0p	0.0	1.7
[illegible]	thous	August	8.5p	0.0	16.4
[illegible]	thous	August	24.1p	−1.4	−2.2
[illegible]	thous	August	20.7p	−0.5	1.7
[illegible]	thous	August	7.3p	0.0	1.4
[illegible]	thous	August	2.7p	0.0	0.0
[illegible]	thous	August	85.0p	−0.8	−1.4
[illegible]	thous	August	17.9p	0.3	−3.3
[illegible]	thous	August	34.6p	0.4	0.0
[illegible]	thous	August	23.8p	1.9	−4.4
[illegible]	thous	August	14.3p	1.8	5.9
[illegible]	thous	August	4.8p	2.1	−4.0
[illegible]	thous	August	3.2p	3.2	1.6
[illegible]	thous	August	1.5p	0.0	−3.1
[illegible]	thous	August	75.1p	−0.9	1.5
[illegible]	thous	August	30.6p	0.3	1.8
[illegible]	thous	August	10.9p	−1.4	−4.8
[illegible]	thous	August	19.8p	1.3	5.9
[illegible]	thous	August	42.0p	−0.1	−0.5
[illegible]	thous	August	17.2p	2.7	−3.1
HOURS AND EARNINGS BY INDUSTRY					
[illegible]	dollars	August	12.82p	−0.7	8.4
[illegible]	hours	August	38.3p	0.0	1.1
[illegible]	dollars	August	7.57p	5.1	13.5
[illegible]	hours	August	38.2p	3.8	1.1
[illegible]	dollars	August	10.14p	−0.1	7.4
[illegible]	hours	August	43.2p	−0.7	−4.0
[illegible]	dollars	August	6.08p	1.2	9.0
[illegible]	hours	August	33.4p	−0.3	0.0
[illegible]	dollars	August	219.75p	6.6	21.8
[illegible]	dollars	August	5.78p	−5.2	5.9
[illegible]	hours	August	33.2p	2.8	4.4
[illegible]	dollars	July	n.a.	.....	.....
[illegible]	hours	July	n.a.	.....	.....

p=preliminary.
[1]The hours and earnings for hired farm workers is based on a survey taken once every January, April, July, and October.

On the forefront of items registering increases locally between June and August were electricity and sewer services, according to the U.S. Bureau of Labor Statistics (BLS). The fuel and utilities component advanced 5.3% over the two months and accounted for 20% of the CPI gain. The second biggest contributor to the overall CPI gain was homeownership costs which rose only 1%, but because of the weight afforded homeownership in the index, it was responsible for 19% of the total index gain. Pushing up homeownership costs were property taxes, and maintenance and repair costs. Mortgage costs declined, more than offsetting a slight gain in home prices. Household furnishings and operation, which rose 1.9%, were credited with 8.6% of the CPI gain.

Transportation costs were up 1.3%, accounting for 13.4% of the rise in Honolulu prices. The BLS recorded significant increases in used cars, tires, and automotive body work.

Medical care costs rose significantly between June and August, boosted by higher physician fees and health insurance costs. The index advanced 3.7% to contribute 11.8% to the CPI rise.

Higher personal care costs -up 9.1%- were responsible for 8.6% of Honolulu's higher living costs.

But food prices were held pretty much in check over the 2-month period. With only modest gains recorded for most major food categories, the increase in the overall food component was held to 0.8%. The fruit and vegetables category -up 5%- was the exception.

Prices of selected items that were on the downside according to the BLS were new cars due to a rebate program,

public assistance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)	number	August	12,675	7.8	28.8
INTRASTATE INITIAL CLAIMS	number	August	5,821	−7.2	20.4
INTERSTATE INITIAL CLAIMS	number	August	370	−15.1	10.8
UNEMPLOYMENT INSURANCE BENEFITS	thous $	August	5,782	6.2	49.6
PUBLIC ASSISTANCE					
RECIPIENTS[1]					
Income Maintenance	no. persons	August	72,204	−0.4	1.9
Services	no. cases	2nd Qtr. 1981	12,505	−2.5	−3.0
Medical	no. patients	August	48,054	−7.4	−12.4
Food Stamps	no. persons	July	103,992	−0.6	−0.3
PAYMENTS					
Income Maintenance	thous. $	August	9,679	−0.7	3.6
Services	thous. $	2nd Qtr. 1981	5,555	8.2	26.6
Medical	thous. $	August	10,815	−14.0	−4.2
Food Stamps	thous. $	July	6,078	0.1	20.3

[1]Count of recipients is duplicated. A person may be counted in each category.

population, personal income-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
POPULATION					
DE FACTO—STATE	number	July 1, 1980	1,056,500p	.....	0.4
TOTAL RESIDENT—STATE	number	July 1, 1981	989,000e	.....	2.0
[illegible] & C of Honolulu	number	July 1, 1981	779,100e	.....	1.7
[illegible] Maui County	number	July 1, 1981	74,100e	.....	3.5
[illegible] Hawaii County	number	July 1, 1981	95,600e	.....	3.0
[illegible] Kauai County	number	July 1, 1981	40,200e	.....	2.3
CIVILIAN RESIDENT—STATE	number	July 1, 1980	912,000p	.....	2.2
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019	.....	5.4*
[illegible] Service	number	April 1, 1980	48,813	.....	8.7*
[illegible] Afloat	number	April 1, 1980	12,206	.....	−5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023	.....	−0.8*
FOREIGN IMMIGRATION[1]	number	12 mo. total ending September 1981	6,429	.....	13.1
PERSONAL INCOME					
TOTAL PERSONAL INCOME[2]	mil $	1st Qtr. 1981	10,057	2.1	11.4
Employment Income	mil $	1st Qtr. 1981	7,699	1.9	9.4
[illegible] Manufacturing	mil $	1st Qtr. 1981	462	3.8	19.1
[illegible] Construction & Mining	mil $	1st Qtr. 1981	652	6.0	16.4
[illegible] Wholesale	mil $	1st Qtr. 1981	334	0.6	3.1
[illegible] Retail	mil $	1st Qtr. 1981	903	3.3	6.2
[illegible] Finance, Ins. & Real Estate	mil $	1st Qtr. 1981	643	2.9	17.6
[illegible] Trans., Comm., & Util.	mil $	1st Qtr. 1981	746	1.1	5.8
[illegible] Services	mil $	1st Qtr. 1981	1,517	2.1	7.9
[illegible] Hotels & Other	mil $	1st Qtr. 1981	248	−1.6	1.6
[illegible] Federal Civilian	mil $	1st Qtr. 1981	667	2.1	11.2
[illegible] Federal Military	mil $	1st Qtr. 1981	687	−3.1	11.0
[illegible] State & Local	mil $	1st Qtr. 1981	839	1.2	5.5
Property Income					
Dividends, Interest, Rent	mil $	1st Qtr. 1981	1,506	5.8	16.7
Personal Contributions for Social Insurance	mil $	1st Qtr. 1981	851	−1.8	22.1
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	10,101 r	.....	10.6
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573	.....	9.5
Maui County	dollars	1979	8,399	.....	10.3
Hawaii County	dollars	1979	7,760	.....	8.7
Kauai County	dollars	1979	7,762	.....	8.6

e=estimated
p=preliminary
r=revised
*Compared to July 1, 1979.
**Total personal income and all components are seasonally adjusted at annual rates.
[1]These immigration statistics include only those entering Honolulu ports and do not include status changers.
[2]Includes wage and salary disbursements, proprietors' income, and other labor income.

u.s. economic indicators

series	unit	period	number	percent change from preceding period	percent change year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF LEADING INDICATORS*	1967=100	August	133.8p	−0.5	2.4
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil $	2nd Qtr. 1981	2,885.8 r	1.1	12.5
In 1972 Dollars	bil $	2nd Qtr. 1981	1,510.4 r	−0.4	3.2
PERSONAL INCOME**	bil $	August	2,445.8	1.1	12.2
RETAIL SALES*	mil $	August	87,690	0.6	9.8
INDUSTRIAL PRODUCTION*	1967=100	August	152.8p	−0.4	7.5
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil $	July	46,074.2	−0.9	22.2
TURNOVER OF DEMAND DEPOSITS**	annual rate	July	182.4	−1.8	34.8
BANK LOANS*	bil $	August	961.4	1.0	10.7
AVERAGE PRIME RATE CHARGED BY BANKS	percent	September	20.08	−2.0	64.2
CONSUMER INSTALLMENT DEBT*	mil $	July	320,008	0.6	6.0
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil $	July	235.1	−1.5	8.6
CONSTRUCTION COST INDEXES					
Residences	1967=100	May	290.9	2.41	7.8
Apts. Hotel. Office Bldgs.	1967=100	May	292.5	2.11	9.9
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	August	98,944	0	2.0
UNEMPLOYMENT*	thous.	August	7,657	2.1	−3.6
UNEMPLOYMENT RATE*	percent	August	7.2	2.9	−5.3
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	August	276.5	0.7	10.8
All Urban Consumers	1967=100	August	276.5	0.8	10.9
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	August	271.8	0.3	7.9
All Commodities	1967=100	August	296.2	0.1	8.2

p=preliminary.
[1]Compared to March 1981.
*Seasonally adjusted.
**Seasonally adjusted annual rate.

women's dresses, some household appliances, TVs, boys' and girls' footwear, fresh whole chicken and lamb.

State Tax Collections

Originally the statistics showed declines for August as follows: State, down 42.7% compared to the year earlier period; Oahu down 37.2%; Maui down 64.3%; Hawaii down 73%; and Kauai down 72%. That's because until July 1981 the State collected property taxes even though the money was turned over to the counties. Now the counties take care of that function. In order to make meaningful comparisons, therefore, we subtracted property taxes out of the earlier state collection figures.

Population

The State Department of Planning and Economic Development recently released some preliminary population estimates for Hawaii for 1981 which are shown in this issue. The percentage increase of 2.0% between 1980 and 1981 and the number increase of 19,400 were pretty much in line with the trend of the past several years. What made the figures interesting was the distribution of the increase. The share of population gain going to Oahu -68.0%- was the largest percentage since 1974. The rate of growth on the Neighbor Islands, on the other hand, slowed to 3%, the lowest rate in more than a decade. And the increase in numbers was 6,200, the smallest in four years. The easing of population growth on the Neighbor Islands makes sense in light of the tourism downturn which has weighed most heavily on the Neighbor Islands.

First Hawaiian Bank Established 1858 Member FDIC